

Sacramento, CA  
(Sacramento Co.)  
Sacramento Bee  
(Cir. D. 296,482)  
(Cir. S. 357,999)

JUN - 1 2004

*Allen's* P. C. B. Est. 1888

### Building affordable housing

**R**e "Working strategies for encouraging affordable housing," Counterpoint, May 8: Rob Wiener criticized our study on inclusionary zoning, a policy that imposes price controls on a percentage of new homes. We found that inclusionary zoning discourages housing production and acts as a tax on new housing. <sup>10</sup>

Ironically, the aspect of our research that Wiener found most objectionable was our method of calculating the low number of "affordable" units these ordinances have produced. These statistics actually came directly from a 2003 report from his own agency, the California Coalition for Rural Housing, a group that lobbies for these price controls.

Using those statistics we found that few affordable units were produced. At current rates it will take inclusionary zoning 100 years to meet the Bay Area's five-year affordable housing need.

Wiener attacked us for "theorizing" that inclusionary zoning increases home prices. This theory is so basic and widely agreed on that it's taught in virtually every introductory economics class. Inclusionary zoning works like a tax. Taxes increase prices and decrease quantity produced.

Unfortunately for those truly concerned with housing affordability, Wiener has no theory and no evidence, yet he continues to advocate unproductive ordinances that make housing more expensive.

- Benjamin Powell and Edward Stringham,  
San Jose  
Department of Economics,  
San Jose State University